



Indianapolis
Gregory A. Ballard, Mayor

NEWS RELEASE

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Mayor Ballard, Council President Lewis, and Caucus Leadership Reach Budget Agreement

INDIANAPOLIS – Indianapolis Mayor Greg Ballard today announced an agreement with City-County Council President Maggie Lewis and the leadership of both caucuses on the framework of a long-term budget plan for the City. Pending approval by the full City-County Council, the agreement will result in the restoration of approximately \$32 million in funding to county offices and cut the proposed budget deficit for 2014 to only \$6 million.

According to the agreement:

- The Mayor and Council agree to restore \$32 million in County Option Income Tax (COIT) revenue to the County General Fund.
- The Mayor and Council are committed to reducing 2013 operational spending by 5%. The Mayor and Council will meet with agency directors and elected officials for individual budget reviews with the goal of introducing fiscal ordinances reducing 2013 appropriations accordingly in February.
- The Capital Improvement Board (CIB) will pay the city \$5 million for public safety in 2013. The money is currently budgeted for the cost of repairing the Capital Commons Garage. In exchange, the City, via the downtown TIF, will fund the cost of repairs.
- The Mayor and Council will approve increases of 2% and 4% respectively in the car rental and admission taxes, effective March 1, 2013.
 - An amount equal to 100% of the revenue from the first year of the increase will be directed to public safety (approximately \$6.7 million).
 - After the first year and beyond, an amount equal to 25% of revenue from this action (up to \$3 million per year) will be directed to the City for public safety.
- The Mayor and Council will form a bi-partisan commission to make a recommendation on the elimination of the Homestead Credit Subsidy as part of the 2014 budget. This action, if approved, would generate approximately \$9 million in funding for the city.
- The Mayor and leadership of both Council caucuses will hold monthly financial meetings.
- The Mayor and Council will continue working toward the implementation of a Public Safety Foundation by the end of 2013.

These actions taken together will produce a \$12 million annual increase in general fund revenue beginning in 2014, leave the City with a manageable \$6 million gap between estimated spending versus revenues for 2014, and leave \$42 million in operating reserves at the end of 2013.

Statement from Mayor Greg Ballard:

"I view budgeting beyond just one year, and this compromise puts the city in a much stronger fiscal position in 2014 and beyond," said Mayor Ballard. "We still must do some heavy lifting to control spending, find new efficiencies and address our public safety/criminal justice system, but this agreement will provide the City the resources it needs to continue funding critical operations."

Statement from City-County Council President Maggie Lewis:

"The agreement we have reached exhibits a true collaborative effort. I look forward to working more closely with the Mayor administering the city's finances over the coming year. Our agreement strengthens our partnership with the CIB and identifies fiscal resources needed to address public safety concerns, which were central to the budget that the council passed."

EDITOR'S NOTE: The specifics of this agreement will be contained in multiple Council proposals and fiscal ordinances. Reporters should check with the Council office for specific proposal numbers and legislative calendar.

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